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SUBJECT: AMBASSADOR RICE'S MEETING WITH UN
UNDER-SECRETARY-GENERAL HOLMES

Classified By: Ambassador Susan E. Rice for reasons 1.4(b) and (d).

¶1. (C) The UN's Under-Secretary-General for Humanitarian Affairs, John Holmes, just back from a brief visit to Gaza, told Ambassador Rice Jan. 26 it will take a lot of time and money to repair the war's damage, but lamented there is no political basis on which to build and said he fears donors will be reluctant to invest. The war's impact on the possibility of peace is profound, he said. The prospect of a two-state solution could be lost. A radical move is needed. Stopping the settlements is fundamental. The West must improve relations with Iran and Syria. This might encourage reconciliation between Hamas and the Palestinian Authority. Hamas is not going away. The UN's more immediate task, he said, is to address Gaza's humanitarian needs, and the Office for the Coordination of Humanitarian Affairs (OCHA) will launch an appeal Feb. 2 in Geneva for up to USD 800 million for a 6-9 month program. He urged the United States to press Saudi Arabia and other Gulf States to contribute to the appeal. End summary.

¶2. (C) Holmes, accompanied by his deputy, Catherine Bragg, met for an hour with Ambassador Rice. He described Gaza as grim, but said Gazans are resilient. Food is the most urgent need. Medical supplies and doctors, on the other hand, are plentiful, though some hospitals need repair. Cash is urgently needed, but Israel is reluctant to let it in, afraid it will end up in the hands of Hamas. Power, water, and sewage systems are damaged and dilapidated, power stations need fuel, and unexploded ordnance needs to be removed.

¶3. (C) We don't want to deal politically with Hamas, said Holmes, and we won't give them money, but we have to operate through them and the PA accepts this. By dealing with low-level officials we can stay away from politics. He said he is afraid Hamas may feel the need to reassert itself and this may make the humanitarian relief effort more difficult. Ambassador Rice asked if it is realistic to work through the PA. Holmes said it is not. This cannot be used to get the PA back into Gaza, he said. All we can do is make sure we don't weaken the PA, nothing more.

¶4. (C) Ambassador Rice asked about Iranian funding to Hamas. Holmes said it's hard to know, but pointed out that Hamas says it will distribute money to Gazans and it's a fair bet it comes from Iran. She asked about the European response to the war's destruction. He said the Europeans would probably be reluctant to invest in reconstruction, but immediate humanitarian relief would be no problem for them.

¶5. (C) The crossings into Gaza are a crucial matter, said Holmes. Israel's Social Affairs Minister has the lead on this. The UN has told the Ministry the crossings need to be fully open. There's no going back to having to negotiate everything with COGAT. He called this a recipe for further despair. If dual-use goods like cement can't get in (none has gotten in for the last 18 months), we'll get nowhere,

said Holmes. The United States needs to put pressure on Israel to open the crossings and especially to allow in building materials.

¶16. (C) Gaza needs to restore some self-generating economic activity, said Holmes. If not, there is no prospect for peace. There used to be farms, market gardens, and industries, but most of them are gone. Now everybody wants a job with the government. There is no going back to what he called the policy of strangulation.

¶17. (C) Ambassador Rice asked about other areas of concern, such as Congo. Holmes said he would travel there in a couple of weeks. The scenario could become more optimistic with Nkunda out of the picture. The humanitarian needs are huge, he said. Ambassador Rice asked about Somalia. Holmes said that with the Ethiopians gone, the situation is unpredictable. Paradoxically, he noted, their departure and the resulting lack of central control could make it easier to deliver humanitarian assistance.

¶18. (C) On the brighter side, said Holmes, the situation is improving in East Timor, also in West Africa. Catherine Bragg said the UN was doing a better job of responding to natural disasters. Holmes concluded by saying the response to the UN's humanitarian appeals has been good.
Rice